GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1068
ANSWERED ON:20.08.2007
SMP FOR SUGARCANE
Yerrannaidu Shri Kinjarapu

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Statutory Minimum Price (SMP) for sugarcane is fixed by the Government;

(b) if so, the details of the method adopted for calculating the SMP;

(c) whether there is no relevance between the cost of cultivation and SMP fixed;

(d) if so, whether there is any proposal before the Government to revise the guidelines for fixation of SMP; and

(e) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): Yes, Sir.

(b): The Statutory Minimum Price (SMP) payable by sugar factories for each sugar season (Oct.-Sept.) is fixed by the Government under Clause 3 of the Sugarcane (Control) Order, 1966 having regard to-

(a) cost of production of sugarcane;

(b) return to the growers from alternative crops and the general trend of prices of agricultural commodities;

(c) availability of sugar to consumers at a fair price;

(d) price at which sugar produced from sugarcane is sold by sugar producers; and

(e) recovery of sugar from sugarcane.

The SMP of sugarcane is fixed on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultation with the State Governments and other organizations/associations as may be considered appropriate by the Central Government.

(c): The cost of cultivation of sugarcane is one of the important criteria considered by the Government while fixing the SMP for sugarcane.

(d)&(e): Do not arise.